



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

|                         |                     |                |  |
|-------------------------|---------------------|----------------|--|
| <b>Bill #</b>           | HB0291              | <b>Title:</b>  | Exempt commercial AG grinders from air quality permit requirements |
| <b>Primary Sponsor:</b> | Ross, John (Jack) W | <b>Status:</b> | As Introduced  |

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

|  | <u>FY 2008<br/>Difference</u> | <u>FY 2009<br/>Difference</u> | <u>FY 2010<br/>Difference</u> | <u>FY 2011<br/>Difference</u> |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Expenditures:</b>                   |                               |                               |                               |                               |
| General Fund                           | \$0                           | \$0                           | \$0                           | \$0                           |
| <b>Revenue:</b>                        |                               |                               |                               |                               |
| General Fund                           | \$0                           | \$0                           | \$0                           | \$0                           |
| <b>Net Impact-General Fund Balance</b> | <u>\$0</u>                    | <u>\$0</u>                    | <u>\$0</u>                    | <u>\$0</u>                    |

### FISCAL ANALYSIS

#### Assumptions:

#### **Department of Environmental Quality Council (DEQ)**

1. The bill exempts some currently permitted and non-permitted facilities from regulation under the Clean Air Act.
2. The removal of the potentially subject facilities from the group of air permit fee payers will create no more than a small reduction in air permit fee collections. Air permit fees are adjusted annually by administrative rule to collect the entire legislative appropriation, so there will be no decrease in revenue.
3. The removal of some permitted facilities from regulation will free up a small amount of DEQ staff resources currently devoted to these sources. Other existing department priorities will absorb these staff resources, so there will be no decrease in expenditures.
4. Removal of the authority to regulate agricultural activities not requiring a permit may lead to an increase in complaints regarding emissions of air pollutants from these facilities. This would cause a small increase in workload for the Enforcement Division that could be absorbed by current staff.
5. This bill has no fiscal impact to the state.

**Technical Note:**

1. This bill prohibits the Board of Environmental Review from adopting any permitting or other regulatory rules relating to any activity or equipment associated with the use of agricultural land or the planting, production, processing, harvesting, or storage of agricultural crops. "Agricultural land" is land used to raise crops or livestock. The realm of activities associated with the use of all farm or ranch land could include an unknown number of activities only peripherally associated with agriculture. "Agricultural crops" are plants or animals that are grown or harvested for profit (cattle, wheat, barley, corn, sugar beets, etc.). Storage or processing of agricultural crops includes currently permitted or regulated sources such as grain elevators, sugar beet processing facilities, ethanol plants, malting plants, bio-diesel plants, seed processing plants, and concentrated animal feeding operations (CAFO). Depending on the volume of emissions, some of these facilities are not regulated under the federal statutes cited in section 1(1) of the bill and therefore would become exempt from state regulation.

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*